

Consolidated Financial Statements
(For the Second Quarter of FY2010)

Consolidated Balance Sheets

(Millions of yen)

	Current Second Quarter	FY2009
	As of September 30, 2009	As of March 31, 2009
Assets		
Current assets:		
Cash and deposits	11,198	18,318
Notes receivable, accounts receivable from completed construction contracts and other	37,130	64,287
Short-term investment securities	16,616	14,621
Real estate for sale	3,753	1,875
Costs on uncompleted construction contracts	108,030	103,537
Costs on real estate business	9,601	9,380
Work in process	1,581	1,103
Raw materials and supplies	197	146
Other	10,995	15,572
Allowance for doubtful accounts	(3,568)	(4,316)
Total current assets	195,538	224,527
Noncurrent assets:		
Property, plant and equipment	24,489	24,121
Intangible assets	627	727
Investments and other assets:		
Investment securities	44,496	41,708
Other	2,779	4,046
Allowance for doubtful accounts	(1,451)	(1,454)
Total investments and other assets	45,824	44,300
Total noncurrent assets	70,942	69,149
Total assets	266,480	293,677

(Millions of yen)

	Current Second Quarter	FY2009
	As of September 30, 2009	As of March 31, 2009
Liabilities		
Current liabilities:		
Notes payable, accounts payable for construction contracts and other	40,724	75,238
Short-term loans payable	13,016	9,496
Income taxes payable	136	240
Advances received on uncompleted construction contracts	67,393	60,769
Provision	1,045	1,291
Provision for loss on construction contracts	6,046	5,132
Other	8,867	12,196
Total current liabilities	137,231	164,364
Noncurrent liabilities:		
Long-term loans payable	248	259
Provision for retirement benefits	5,706	5,638
Negative goodwill	992	1,134
Other	8,309	7,124
Total noncurrent liabilities	15,257	14,157
Total liabilities	152,489	178,521
Net assets		
Shareholders' equity:		
Capital stock	19,838	19,838
Capital surplus	25,327	25,327
Retained earnings	69,978	73,347
Treasury stock	(12,328)	(12,316)
Total shareholders' equity	102,816	106,197
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	11,175	8,958
Total valuation and translation adjustments	11,175	8,958
Total net assets	113,991	115,155
Total liabilities and net assets	266,480	293,677

Consolidated Statements of Income

(Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2009 April 1, 2008 through September 30, 2008	2Q / FY2010 April 1, 2009 through September 30, 2009
Net sales	78,944	69,397
Cost of sales	71,239	64,700
Gross profit	7,704	4,696
Selling, general and administrative expenses	8,677	7,216
Operating income (loss)	(972)	(2,519)
Non-operating income:		
Interest income	224	148
Dividends income	783	447
Foreign exchange gains	—	427
Amortization of negative goodwill	141	141
Other	141	184
Total non-operating income	1,291	1,349
Non-operating expenses:		
Interest expenses	84	92
Other	16	12
Total non-operating expenses	100	105
Ordinary income (loss)	217	(1,275)
Extraordinary income:		
Gain on prior period adjustment	298	159
Gain on sales of noncurrent assets	409	20
Gain on sales of investment securities	0	20
Reversal of allowance for doubtful accounts	394	739
Total extraordinary income	1,103	939
Extraordinary loss:		
Loss on prior period adjustment	26	417
Loss on sales of noncurrent assets	5	—
Loss on retirement of noncurrent assets	87	69
Loss on sales of investment securities	500	1
Loss on valuation of investment securities	1,040	669
Special extra retirement payments	4,166	—
Total extraordinary loss	5,825	1,158
Income (loss) before income taxes and minority interests	(4,504)	(1,493)
Income taxes-current	107	74
Income taxes-deferred	104	2
Total income taxes	212	76
Net income (loss)	(4,716)	(1,570)

Consolidated Statements of Cash Flows (Six-month Period Ended September 30)

(Millions of yen)

	2Q / FY2009 April 1, 2008 through September 30, 2008	2Q / FY2010 April 1, 2009 through September 30, 2009
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(4,504)	(1,493)
Depreciation and amortization	458	458
Amortization of negative goodwill	(141)	(141)
Increase (decrease) in allowance for doubtful accounts	(404)	(739)
Increase (decrease) in provision for retirement benefits	(17)	67
Increase (decrease) in provision for loss on construction contracts	(1,882)	913
Interest and dividends income	(1,008)	(596)
Interest expenses	84	92
Loss (gain) on sales of noncurrent assets	(404)	(20)
Loss (gain) on sales of short-term and long term investment securities	499	(19)
Loss (gain) on valuation of short-term and long term investment securities	1,040	669
Special extra retirement payments	4,166	—
Decrease (increase) in notes and accounts receivable-trade	37,502	27,156
Decrease (increase) in costs on uncompleted construction contracts	(37,556)	(4,492)
Decrease (increase) in other inventories	(116)	(2,628)
Increase (decrease) in notes and accounts payable-trade	(1,694)	(28,586)
Increase (decrease) in advances received on uncompleted construction contracts	21,151	6,623
Increase (decrease) in accrued consumption taxes	—	(1,766)
Decrease(Increase) in consumption taxes refund receivable	(1,700)	(290)
Other, net	460	(1,653)
Subtotal	15,932	(6,445)
Interest and dividends income received	1,010	595
Interest expenses paid	(84)	(92)
Income taxes (paid) refund	(90)	10
Payments for special extra retirement payments	(4,072)	—
Net cash provided by (used in) operating activities	12,695	(5,932)

(Millions of yen)

	2Q / FY2009 April 1, 2008 through September 30, 2008	2Q / FY2010 April 1, 2009 through September 30, 2009
Cash flows from investing activities:		
Net decrease (increase) in time deposits	205	(230)
Purchase of short-term and long term investment securities	(203)	(19)
Proceeds from sales and redemption of short-term and long term investment securities	5,616	32
Purchase of property, plant and equipment and intangible assets	(827)	(829)
Proceeds from sales of property, plant and equipment and intangible assets	432	25
Payments of loans receivable	(104)	(319)
Collection of loans receivable	195	120
Other, net	78	75
Net cash provided by (used in) investing activities	<u>5,391</u>	<u>(1,146)</u>
Cash flows from financing activities:		
Net increase (decrease) in short-term loans payable	902	3,565
Repayment of long-term loans payable	(129)	(12)
Purchase of treasury stock	(39)	(13)
Proceeds from sales of treasury stock	7	1
Cash dividends paid	(1,792)	(1,789)
Other, net	(0)	(1)
Net cash provided by (used in) financing activities	<u>(1,051)</u>	<u>1,750</u>
Effect of exchange rate change on cash and cash equivalents	<u>0</u>	<u>(21)</u>
Net increase (decrease) in cash and cash equivalents	<u>17,035</u>	<u>(5,349)</u>
Cash and cash equivalents at beginning of period	<u>21,445</u>	<u>30,811</u>
Cash and cash equivalents at end of period	<u>38,481</u>	<u>25,461</u>

Breakdown of Orders (Non-consolidated)

(Millions of yen)

			2Q / FY2009 April 1, 2008 through September 30, 2008			2Q / FY2010 April 1, 2009 through September 30, 2009			Change Increase (Decrease)	% Change Increase (Decrease)	
				%	%		%		%		
Construction orders awarded	Civil engineering	Domestic public sector	39,587	84.8	51.2	7,108	36.6	36.6	(32,478)	(82.0)	
		Domestic private sector	7,038	15.1		12,523	64.5		5,485	77.9	
		Overseas	59	0.1		(221)	(1.1)		(281)	—	
		Subtotal	46,685	100		19,410	100		(27,275)	(58.4)	
	Architectural construction	Domestic public sector	6,083	13.7	48.8	6,167	18.4	63.4	84	1.4	
		Domestic private sector	38,345	86.3		27,390	81.6		(10,955)	(28.6)	
		Overseas	—	—		7	0.0		7	—	
		Subtotal	44,429	100		33,564	100		(10,864)	(24.5)	
	Total	Domestic public sector	45,670	50.1	100	13,276	25.1	100	(32,394)	(70.9)	
		Domestic private sector	45,384	49.8		39,913	75.3		(5,470)	(12.1)	
		Overseas	59	0.1		(214)	(0.4)		(274)	—	
		Total	91,114	100		52,975	100		(38,139)	(41.9)	
Net sales	Projects completed	Civil engineering	Domestic public sector	4,109	20.6	[26.9]	21,609	66.3	[49.0]	17,499	425.8
			Domestic private sector	12,522	62.7	26.3	8,406	25.8	47.4	(4,116)	(32.9)
			Overseas	3,330	16.7		2,555	7.9		(775)	(23.3)
			Subtotal	19,963	100		32,571	100		12,608	63.2
	Architectural construction	Domestic public sector	5,129	9.5	[73.1]		2,031	6.0		[51.0]	(3,097)
		Domestic private sector	49,033	90.5	71.4	31,906	94.0	49.3	(17,126)	(34.9)	
		Overseas	—	—		7	0.0		7	—	
		Subtotal	54,163	100		33,945	100		(20,217)	(37.3)	
	Subtotal	Domestic public sector	9,238	12.5		[100]	23,640		35.5	[100]	14,401
		Domestic private sector	61,556	83.0	97.7	40,313	60.6	96.7	(21,242)	(34.5)	
		Overseas	3,330	4.5		2,562	3.9		(768)	(23.1)	
		Subtotal	74,126	100		66,516	100		(7,609)	(10.3)	
	Real estate business and other			1,781		2.3	2,238		3.3	457	25.7
	Total			75,907	100	68,755	100	(7,151)	(9.4)		
	Period-end backlog	Civil engineering	Domestic public sector	122,336	65.3	52.0	88,727	65.3	48.2	(33,609)	(27.5)
Domestic private sector			42,989	23.0	34,058		25.0	(8,930)		(20.8)	
Overseas			21,997	11.7	13,145		9.7	(8,851)		(40.2)	
Subtotal			187,322	100	135,931		100	(51,390)		(27.4)	
Architectural construction		Domestic public sector	25,467	14.7	48.0	32,661	22.4	51.8	7,194	28.2	
		Domestic private sector	147,571	85.3		113,275	77.6		(34,296)	(23.2)	
		Overseas	—	—		—	—		—	—	
		Subtotal	173,038	100		145,936	100		(27,102)	(15.7)	
Total		Domestic public sector	147,803	41.0	100	121,388	43.1	100	(26,415)	(17.9)	
		Domestic private sector	190,560	52.9		147,334	52.3		(43,226)	(22.7)	
		Overseas	21,997	6.1		13,145	4.6		(8,851)	(40.2)	
		Total	360,361	100		281,868	100		(78,493)	(21.8)	